

Message Text

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ACTION ARA-20

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USIA-15 ACDA-19 IO-15 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

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FM AMEMBASSY PORT AU PRINCE

TO SECSTATE WASHDC 7081

C O N F I D E N T I A L PORT AU PRINCE 1724

E.O. 11652: GDS

TAGS: ECON, EFIN, H

SUBJ: NATIONAL BANK DIRECTOR ANDRE PESSIMISTIC AS
TO HAITIAN ECONOMIC PROSPECTS

1. DURING CONVERSATION HELD OCTOBER 3 NATIONAL BANK DIRECTOR ANTONIO ANDRE IMPRESSED EMBASSY OFFICERS AS BEING MORE PESSIMISTIC ABOUT THE FUTURE OF HAITI THAN AT ANY TIME IN THE PAST THREE YEARS. HE MADE SPECIAL EFFORT TO SEE EMBASSY ECON OFFICERS, WHO WERE AT BANK ON ANOTHER MATTER, EVEN THOUGH HE HAD JUST ARRIVED IN OFFICE AFTER HIS NAIROBI TRIP. PRESUMABLY HIS PURPOSE WAS TO AIR TO EMBASSY HIS VIEWS ON THE DISMAL ECONOMIC PROSPECTS HE FORESEES FOR HAITI.

2. ANDRE CLAIMED THAT HE NO LONGER HAD THE EAR OF THE PRESIDENT IN ECONOMIC MATTERS, MENTIONING, SOMEWHAT BITTERLY, HIS REMOVAL AS DIRECTOR GENERAL OF THE PORT AUTHORITY, IDIA, TELECO, AND THE FLOUR MILL (SEE EMBTEL 0877 AND POL/ECON SUMMARY #12). HE REITERATED SEVERAL TIMES DURING THE CONVERSATION THAT THE QTE POLITICIANS UNQTE WERE OVER- RULING THE TECHNICIANS AND WERE LEADING THE COUNTRY INTO
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DISASTER. HE CITED THE CASES OF THE TELEPHONE CONTRACT

(WHICH WAS AWARDED TO THE HIGH BIDDER, RATHER THAN THE LOW BIDDER--SEE EMBTEL 0977) AND THE IDB PORT AND WATER SYSTEM LOANS. BOTH OF THE LATTER, HE CLAIMS, ARE QTE DEAD UNQTE, AS IS IDB TELECOMMUNICATIONS FUNDING, CHIEFLY BECAUSE OF THE MACHINATIONS OF THE HAITIAN QTE POLITICIANS UNQTE WITHIN GOVERNMENT TRYING TO ENSURE THAT CONSTRUCTION BIDS WOULD BE HANDLED THROUGH FAVORITISM. ACCORDING TO ANDRE THE POSSIBILITY OF LOSING ONE MILLION DOLLARS TO AEROTRADE AS A RESULT OF THE NEW YORK COURT SUIT IS ONLY A MINOR PROBLEM COMPARED TO THE INTERNATIONAL LOAN FUNDS WHICH MAY BE LOST BECAUSE OF THE PRESENT DEPLORABLE SITUATION. THE ONLY INDIVIDUALS AGAINST WHOM ANDRE RAILED WERE EX-FINANCE SECRETARY FRANCISQUE AND ENGINEER LOUIS LEVEQUE, FORMER SECRETARY OF PUBLIC WORKS REPORTEDLY ASSIGNED EX-OFFICIO BY THE PALACE TO WORK ON THE PORT PROJECT.

3. ANDRE NOTED THAT HAITIAN OFFICIAL RESERVES, WHICH WERE NEGATIVE IN 1970 BUT HAD BEEN BROUGHT UP TO 28 MILLION DOLLARS RECENTLY THROUGH HIS EFFORTS, WERE NOW DOWN TO 17 MILLION DOLLARS AND WERE LIKELY TO SLIP FURTHER BECAUSE OF CURRENT "UNJUSTIFIED" DEMANDS ON NATIONAL BANK'S RESOURCES.

4. COMMENT: TO SOME EXTENT ANDRE'S EXPRESSED PESSIMISM MAY HAVE BEEN FUELED BY A COMPARISON BETWEEN KENYA, WHICH HE SAID HAS MADE REMARKABLE PROGRESS IN THE TEN YEARS SINCE INDEPENDENCE, AND HAITI, WHICH HE NOTED HAS ACCOMPLISHED LITTLE IN 170 YEARS. HOWEVER, ANDRE WAS PERHAPS MORE SPECIFIC ABOUT PROBLEMS AND MORE OPENLY PESSIMISTIC ABOUT THE FUTURE THAN HE HAS BEEN AT ANY TIME DURING THE PAST THREE YEARS IN CONVERSATIONS WITH EMBASSY OFFICERS.
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